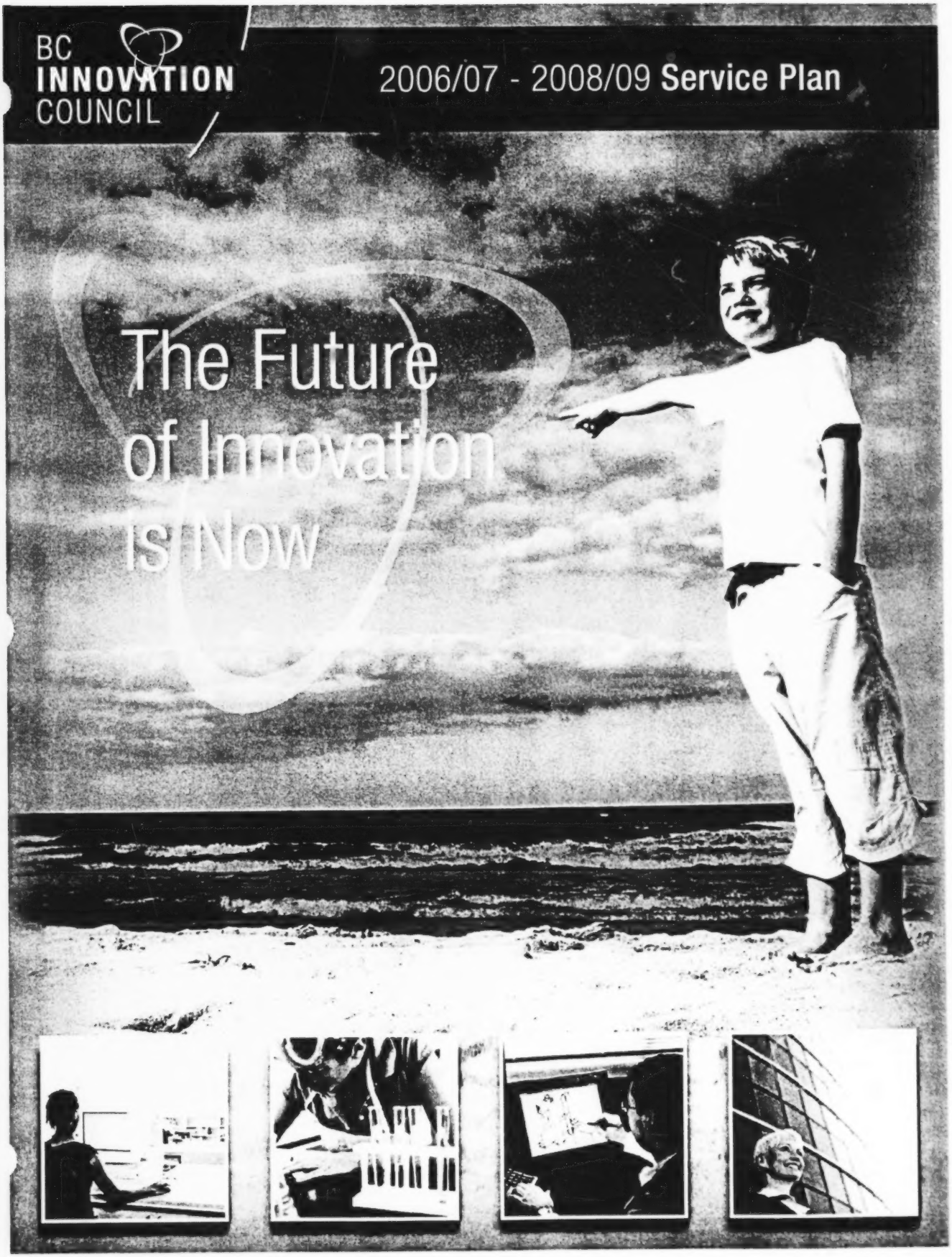
BC INNOVATION COUNCIL

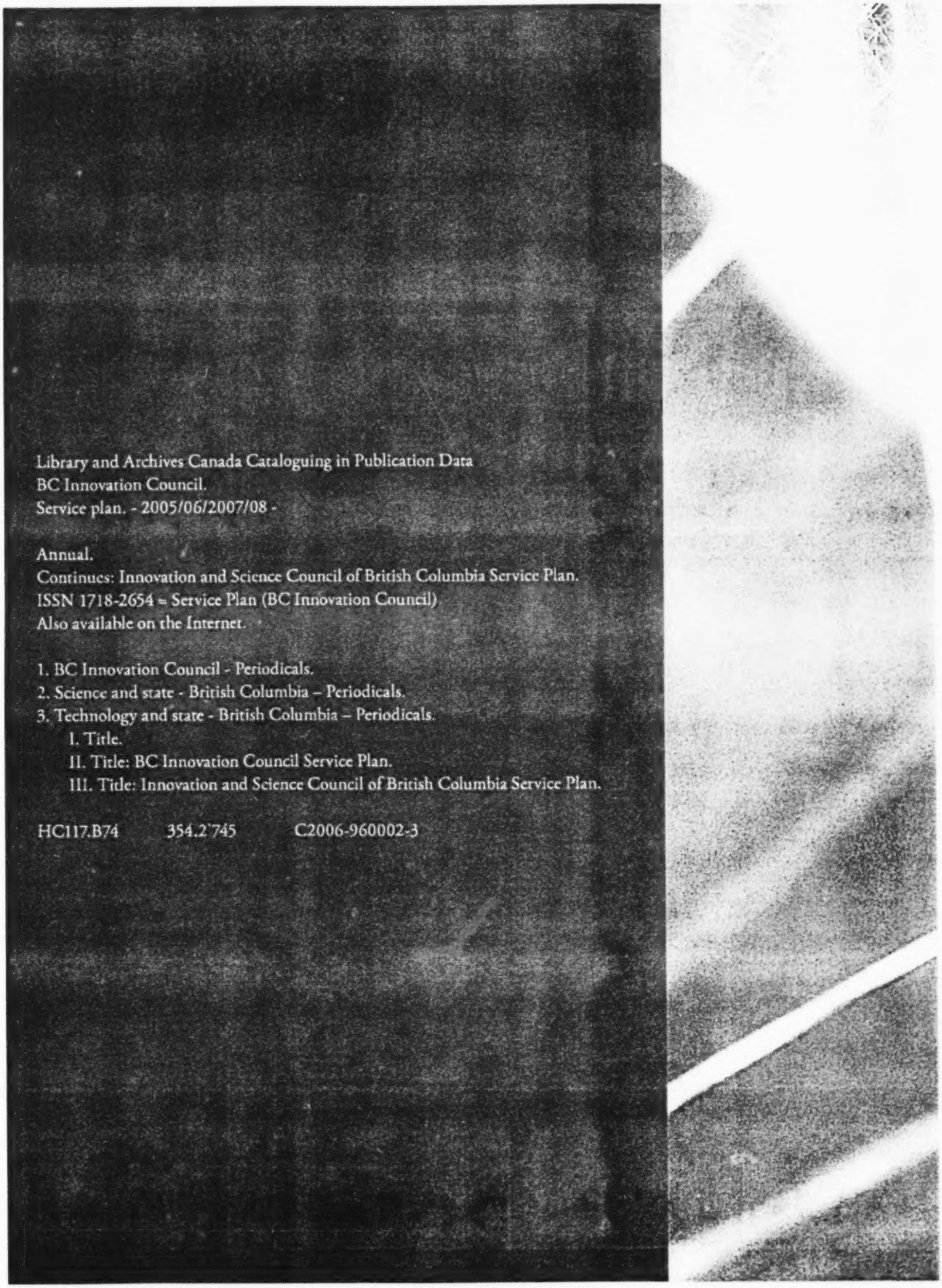
2006/07 - 2008/09 Service Plan

The Future of Innovation is Now

BC INNOVATION COUNCIL

2006/07 - 2008/09 Service Plan





Library and Archives Canada Cataloguing in Publication Data
BC Innovation Council.
Service plan. - 2005/06/2007/08 -

Annual.
Continues: Innovation and Science Council of British Columbia Service Plan.
ISSN 1718-2654 = Service Plan (BC Innovation Council)
Also available on the Internet.

1. BC Innovation Council - Periodicals.
2. Science and state - British Columbia – Periodicals.
3. Technology and state - British Columbia – Periodicals.
I. Title.
II. Title: BC Innovation Council Service Plan.
III. Title: Innovation and Science Council of British Columbia Service Plan.

HC117.B74 354.2'745 C2006-960002-3

Library and Archives Canada Cataloguing in Publication Data
BC Innovation Council.
Service plan. - 2005/06/2007/08 -

Annual.
Continues: Innovation and Science Council of British Columbia Service Plan.
ISSN 1718-2654 = Service Plan (BC Innovation Council)
Also available on the Internet.

1. BC Innovation Council - Periodicals.
2. Science and state - British Columbia – Periodicals.
3. Technology and state - British Columbia – Periodicals.
I. Title.
II. Title: BC Innovation Council Service Plan.
III. Title: Innovation and Science Council of British Columbia Service Plan.

HC117.B74 354.2'745 C2006-960002-3

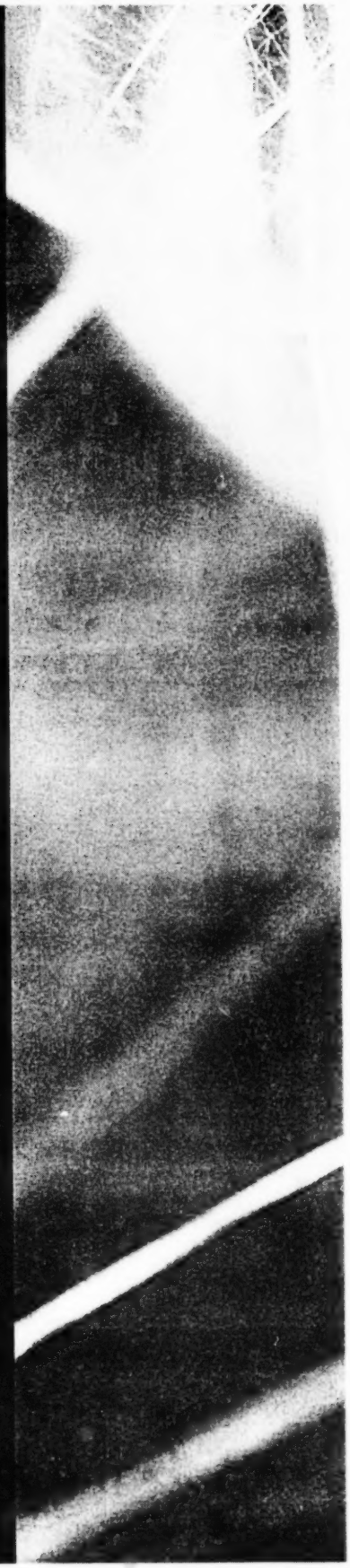


Table of Contents

Message from the Board Chair to Minister Responsible 2

Organizational Overview 4

Strategic Context 6

Goal 1: Increase the Development and Commercialization of British Columbia-based Technologies 9

Goal 2: Enhance Competitiveness of British Columbia's Business Sectors and Research Capabilities 12

Goal 3: Increase Awareness of British Columbia's Research and Innovation Opportunities and Achievements 14

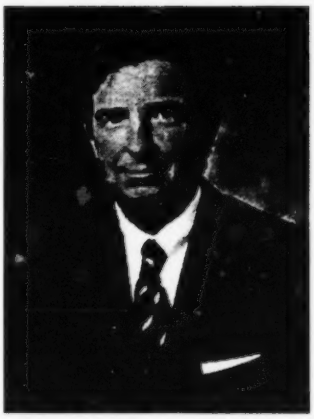
Alignment with Government's Strategic Plan 16

Summary Financial Outlook 18

Governance 19

Contact Information 21

Message from the Board Chair to Minister Responsible



Hector MacKay-Dunn, QC
Chair, BC Innovation Council

The BC Innovation Council's goals presented in this Service Plan are ambitious, particularly when compared to those set during the recent transition period that resulted in joining two of British Columbia's prominent technology organizations; the Innovation and Science Council of BC and the BC Advanced Systems Institute. Our plan is reasonable, balanced and necessary if we are to take seriously the obligations implicit in our mandate set by the Province and the goals set by Premier Campbell.

In order to effectively fulfill the goals presented in this Plan, the Council forecasts a five to ten-fold increase in its activities over the next three years and accordingly, anticipates a need for significant expansion of its funding. The Plan presents a financial forecast consistent with previous years to comply with Service Plan guidelines, however, we anticipate securing additional support over the next few years to match the level of activity outlined in this Plan.

The next three years will be an important period in the history of the Council as it becomes British Columbia's one-stop point of access and support to companies, educational institutions, technology industry awareness groups, federal science and technology agencies and university research labs.

This is my first year as Chair of the Council. I am pleased and excited to be part of an organization that promises to play such a significant role in expanding the research and innovation sector in the province to achieve Premier Campbell's goal of British Columbia becoming one of the world's top-ten technology centres.

Following a phase of Ministry reorganizations, the Council is emerging from its transition period with renewed support and involvement from the Province. This is especially significant as Premier Campbell has sent a clear message about his conviction about the role of research and innovation and the direct economic and social benefits that result.

With this in mind, the Council's Service Plan is presented with three clear goals to guide the province to a prosperous research and innovation-based economy. These goals recognize the inter-dependence of commercialization, competitiveness and public awareness in promoting innovation throughout the province.

Commercialization is the Council's primary focus. We intend to be involved and impact the entire commercialization continuum in the province from developing people, to performing translational research and managing businesses at research institutions and companies; to transferring the technologies from

our research institutions and into industry at the appropriate time; to creating the companies with the right capabilities and resources to bring these technologies to market.

We also see significant opportunity in how business sectors utilize and incorporate research and innovation into their processes and products to enhance competitiveness. We will be the leader in asking the tough question as to what innovation can do to assist the province's largest and/or most promising business sectors become more competitive.

In addition, we will be visionaries and support ongoing research capabilities in the province to capitalize on future opportunities that have significant economic potential.

If British Columbia is to be known as a world's top-ten technology centre, we need to let the provincial, national and international audience know about the innovation opportunities and capabilities in the province. This will involve developing and implementing a province-wide communications strategy for innovation and commercialization and partnering with Leading Edge BC to effectively engage the national and international community.

As we move forward with our expansion plans, I look forward to our continuing relationship with the Honourable Murray Coell, Minister of Advanced Education and Minister Responsible for Research and Technology; Dr. Moura Quayle, Deputy Minister; and the Ministry staff. I thank them for their support and commitment to the Council.

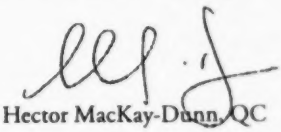
On behalf of all the Board and our staff, I wish to take this opportunity to extend my appreciation to Ms. Cindy Lum who took on the Chief Executive Officer's position on a temporary basis during our transition period and has since returned to her full-time position as Chief Operating Officer for the Council. Our staff as well deserves recognition for their hard work and perseverance during this period.

Finally, I applaud those in the research and innovation sector, especially our volunteers, who have stood by the Council and supported the growth of our province's capabilities and capacity in this area.

This is an exciting time for both British Columbia and the Council. British Columbia's economy is strong and with the expanding research and innovation sector in the province as well as the support of those within the community, the province is poised to achieving Premier Campbell's goal. The Council having recently appointed its new Chief Executive Officer, Dr. David Dolphin, is dedicated to focussing its resources to this end.

Now is the time for all of us to roll-up our sleeves and work to make British Columbia a major competitor in the world's innovation arena.

The 2006/07 - 2008/09 BC Innovation Council Service Plan was prepared under my direction in accordance with the Budget Transparency and Accountability Act. I am accountable for the contents of the plan, including the selection of performance measures and targets. The plan is consistent with government's strategic priorities and overall Strategic Plan. All significant assumptions, policy decisions, and identified risks, as of December 31, 2005 have been considered in preparing the plan. I am accountable for ensuring the BC Innovation Council achieves its specific objectives identified in the plan and for measuring and reporting actual performance.



Hector MacKay-Dunn, QC

Chair, BC Innovation Council

Organizational Overview

106-04250/

The BC Innovation Council ("Council") is a Crown agency of the Province of British Columbia. The Council was publicly launched in October, 2004 as a result of an announced merger by the Province between two prominent technology organizations with an established history of developing the research and innovation sector in the province. These two preceding organizations are the Innovation and Science Council of BC, a Crown agency, and the Advanced Systems Institute of BC, a non-profit organization. The final structure of the merged entity is being finalized.

Operating under the existing Innovation and Science Council Act, the BC Innovation Council has adopted its current name until legally revised by the Province through an amendment of the Act. The Council is responsible to the Honourable Murray Coell, the Minister of Advanced Education and Minister Responsible for Research and Technology.

The Council operates with a staff of fourteen.

Vision

The BC Innovation Council's vision is to be the province's lead organization that supports applied research and commercialization of science and technology to foster province-wide economic development.

Mandate

The Council operates under four strategic mandate areas:

1. Accelerate commercialization programs for early stage and rapid growth companies to expedite the introduction of world-class technology based products to international markets;
2. Capitalize and expand technology transfer by getting research results with clear economic potential out of the university laboratory and research institutions and into the commercialization process as quickly and efficiently as possible;
3. Partner in the development and promotion of a province-wide strategy for science, innovation and technology development; and
4. Build public awareness for science and technology to recognize high achievement of the province's researchers, scientists and technology entrepreneurs and encourage the province's youth to consider pursuing research and technology-related careers.

Values

The Council is guided by the following values:

1. Entrepreneurship
   - The Council is entrepreneurial in effectively identifying the needs of its primary market; the research and innovation sector in the province. The Council has adopted a market driven approach to ensure that there is real value in its activities.
2. Innovation
   - The Council is innovative and creative in how it addresses opportunities to ensure that resources are effectively leveraged and sustainable activities are developed.
3. Accountability
   - The Council is accountable in its activities and has processes to ensure efficiency, transparency and fairness.
4. Partnership
   - The Council values partnerships and collaborations that bring value-added benefits to the province's research and innovation sector.

Core Business Area

The Council's primary role is to foster province-wide economic development and enhance British Columbia's ability to compete on a global scale by providing a one-stop point of access and support to companies, educational institutions, technology industry awareness groups, federal science and technology agencies and university research labs involved in technology development and commercialization.

Its core business areas as it relates to the province's research and innovation sector include:

1. Sector Development
   - The Council supports the development of technology and/or research sectors throughout the province that create, improve and/or utilize science and innovation.
2. Program Management
   - The Council manages a number of programs and initiatives that benefit the research and innovation sector in the province.
3. Communication
   - The Council communicates the province's research and innovation capabilities, accomplishments and opportunities to various audiences including students, industry, academia, government and the general public.

Principle Partners, Clients, Stakeholders and Market

The Council develops and implements many of its initiatives in-house. In cases where specialized expertise is required to appropriately carry out initiatives, it may contract work to outside contractors. In addition, the Council partners with a number of government agencies at the provincial and federal level, research institutions and industry and regional groups to carry out its activities under its core business areas through sponsorships, contribution agreements and other forms of support. Using partnerships as a core principle, the Council strives to approach issues in the innovation sector by building and maintaining relationships with various groups including industry, academia and government in managing processes, programs and general activities.

The Council works with a number of volunteers, organizations and professionals to carry out its activities. Volunteers are an important resource to the Council and deserve special recognition. They include:

1. Scientists and research experts who give countless hours to review proposals, participate in workshops and discussions and provide expert advice on issues pertinent to research and scientific merit;
2. Government representatives who provide a broader perspective on the issues;
3. Representatives from public and private research institutions and labs; and
4. Prominent technology entrepreneurs who have started and developed some of British Columbia's most successful high-technology companies.

As an organization with a province-wide mandate, the Council serves a number of clients in its primary market defined as the research, technology and innovation sector in British Columbia. The Council's client-base includes companies, educational institutions, technology industry awareness groups, federal science and technology agencies and university research labs.

Location

The Council is located in downtown Vancouver at the Leading Edge Technology Centre. It is co-located with leading technology industry associations and other complementary organizations that support the research, technology and innovation sector in British Columbia.

These organizations include:

1. Academy for Technology CEO's
2. BC BioProducts Association
3. BC Biotech
4. BC Technology Industries Association
5. BC Technology Social Ventures Partners
6. eLearning BC
7. Leading Edge BC
8. Leading Edge Endowment Fund
9. Lions Gate Learning Alliance
10. Japan External Trade Organization
11. Wireless Innovation Network

Strategic Context

The Council functions in a promising operating environment of a growing economy, affecting all sectors. The current economic climate therefore affords the opportunity to invest for the future, increasing British Columbia's long-term competitiveness through innovation. The Council's role is to facilitate this process by developing new initiatives that enable all sectors and regions of British Columbia to benefit from the province's strengths in innovation.

Planning Context

The previous Council Service Plan was developed in an environment of uncertainty due to Ministry reorganization and during a major transition at the Council. Therefore the previous 2005/06 Service Plan no longer adequately reflects the Council's or the Ministry's intended strategic direction for the organization. Consequently, it was determined through discussions with the Ministry that a new set of goals, objectives and strategies would more appropriately convey the future direction of Council.

This Service Plan presents an ambitious three-year growth strategy for the Council. Many of the objectives and strategies will be finalized and established in the first year of the plan when the Council's recently hired CEO and soon to be appointed new board members are given an opportunity to familiarize with and further strategize the Council's future direction. This will provide time for the Council to complete a more detailed operational plan while seeking input from stakeholders and securing funding for the remaining two years of the Service Plan.

Opportunities and Growth Indicators

1. Government Policy and Direction
   - Government support for British Columbia to become one of the world's top-ten technology centres by 2010;
   - Provincial government development of a research and innovation strategy;
   - Ministry of Advanced Education's responsibility for the BC Innovation Council;
   - Recent changes in the Province's venture capital programs that encourage private investment via tax credits;
   - Additional support and commitment from the Province to increase the number of science and engineering graduates;
   - Recent announcement of Leading Edge Chairs in critical areas of research;
   - Establishment of Leading Edge BC to market British Columbia as a technology destination; and
   - Federal government establishment of an Expert Panel on Commercialization to advise on practical initiatives to encourage technology transfer and increase commercialization.
2. Technology Sector
   - Economic indications of a technology sector growth;
   - A greater interest in industry collaboration for showcasing British Columbia as a destination for technology development;
   - Increasing support from industry as demonstrated by the growing participation and attendance at networking and award recognition events; and
   - Establishment of world-renowned research centres such as the Brain Research Centre at the University of British Columbia.
3. Economy
   - British Columbia's economy is strong, vibrant and growing;
   - Increasing venture capital investment from the Asia Pacific and United States in British Columbia-based companies; and
   - Growing numbers of high-technology companies being established both within the Lower Mainland and in regional areas throughout the province.
4. Client Preferences and Demand
   - Greater interest from the technology industry to identify and address gaps hindering further growth of the sector such as funding, expertise and human resources;
   - Support for the development of technology clusters in promising sectors in the province to reach a critical mass of companies, research centres and government support; and
   - Identification by the Province that an opportunity exists to showcase British Columbia's technological capability at the 2010 Olympics.

Challenges & Risks

The Council presents an ambitious growth strategy in this three-year Service Plan and therefore, requires an expansion of the Council's funding and organizational structure in order to accomplish its intended purpose and mandate. Such expansion presents risks and the Council will manage such risk as outlined below.

Because the Council operates in an inter-dependent fashion with partners, collaborators and other complementary organizations to deliver value-added services, it is recognized that changes within a partner organization may impact the efficiency of some of Council's initiatives. These are external factors over which the Council has no control except in ensuring that Council follow established guidelines for signing clear agreements that attempt to mitigate this risk.

This Service Plan calls for an expansion of human resource capacity at the Council to manage new initiatives and activities. Of primary importance is developing the Council's capacity to ensure that the right expertise resides within the organization. The Council will begin to expand its human resources capacity in 2006/07 to enable some expansion of its activities and to ready itself for significant expansion of activities in subsequent years. The Council intends to include strategies such as using experienced personnel agencies for recruitment; reviewing and updating its compensation guidelines; and providing a balanced work-life environment.

Significant plans for expansion require an adequate amount of resources to fund such expansion. The Council secures its revenues from various sources including contributions from the Province of British Columbia as well as other funding organizations for project-specific and/or program delivery services. In light of fiscal restraint and the many priorities of the Council's various funders, the securing of funds to support such an expansion requires careful planning. Plans include managing with status quo funding in the next fiscal year while expansion plans are carefully being finalized, communicating with potential funders throughout the next fiscal year to present justifiable plans for increased funding and developing leveraging opportunities with other funders to ensure utmost efficiency of all contributions.

The human resources capacity and funding risks are important and will have a significant impact on the future direction of the Council. A status quo level for the Council will adversely affect the Council's ability to meet the mandate that has been given by the Province. The Council will move forward with developing initiatives in 2006/07 to demonstrate the effectiveness and potential for future growth in subsequent years.

Performance Management Systems

The Council's performance management systems are designed to provide efficient and practical measurement of its progress in attaining Objectives. All the Council's performance measures, indicated later in this document, will be collected and maintained in-house and reviewed on a periodic basis throughout the year. In cases where the Council supports initiatives implemented by other complementary organizations, the Council will request appropriate records are maintained and reported back as a condition of support.

The Council will ensure that chosen measurements are quantifiable and measure the related objective rather than the strategies. By doing so, there is assurance that if the targets are met, then it follows that the objectives have been met and therefore the goals have been achieved.

Moving Forward

As the Council embarks on its growth phase, strong leadership will be a key to advancing the Council. Demonstrating the importance of a multi-disciplinary board in order to lead the significant expansion plans, Premier Campbell and the Ministry of Advanced Education have identified and obtained commitment from a group of leading executives in the innovation community whose backgrounds encompass world-class research and development and technology entrepreneurship to become Council members.

Key elements for British Columbia's innovation system are already in place. The province has strong research institutions, technology transfer organizations, a highly skilled, educated workforce, and a vibrant finance community. The Council will focus on addressing key outstanding gaps in the innovation and commercialisation chain, in partnership with other stakeholders and leveraging on our provincial strengths.

In order to manage the activities outlined in this Service Plan, the Council is evaluating different service delivery models, with the intention of developing a structure that can most efficiently meet present and future demands. In one such model, the Council anticipates that sector specific (eg., aquaculture, forestry, oceans/marine, biotechnology, etc.) or region specific (eg., national or international) initiatives may be led by sector or regional experts who have the flexibility to respond to changing needs. Experts would operate from a location that provides for contact with the specific sector's or region's industry, research and government community representatives, thus facilitating partnerships and collaborations to address issues and more efficiently move the sector/region forward.

With the dedication of the Province as well as support from the industry and academia, the Council is strategically positioned to be the province's leading agency that will move British Columbia to a globally recognized innovative economy.

Goal 1: Increase the Development and Commercialization of British Columbia-based Technologies

The commercialization of technology covers the process from research, technology development, market introduction and sales growth. British Columbia has gained a strong reputation for having established world-class expertise and innovation at its universities and research institutions. This expertise has spawned numerous successful companies, which in turn have fuelled the development of several emerging technology clusters in the province. A long time partner in this process through its predecessor organizations, the Council will continue to implement a province-wide coordinated strategy to further the commercialization of British Columbia technologies, by focussing resources on issues of major importance to universities, research institutions and companies.

Objective 1.1: Support development of highly qualified personnel and business expertise

Access to educated and experienced personnel is a key requirement for commercialization, and is one of the most-cited issues by the technology industry at large. The province needs to increase the availability of highly qualified personnel (HQP*), as well as professionals with the entrepreneurial mindset and specific experience necessary to bring innovations out of the research lab, through development, and into the marketplace. The Council is developing ways to address this gap through a range of initiatives that will bring new skills and resources to the province's research institutions as well as companies.

Strategies to support HQP and business expertise development include:

- distributing scholarships, fellowships and other awards that leverage external sources of funds, industry and other resources to develop and retain research and business expertise in the province's innovation sector;
- reviewing technology companies' areas of critical need in terms of HQP and business expertise, and facilitating access to such individuals, through development and facilitation of recruitment initiatives that leverage external support from federal and industry sources;
- developing initiatives that provide for educational opportunities for personnel to gain international business expertise in key geographic regions; and
- developing and supporting workshops, publications and other communication methods that educate researchers on the current research needs in various sectors of importance to British Columbia.

Measure	Forecast: 2006/2007	Forecast: 2007/2008	Forecast: 2008/2009
New measurement to be determined in 2006/07 that quantifies the level of HQP* and business expertise developed by participants from Council supported activities.	Establish new baseline for 2007/08 based on planned initiatives.	Target increase to be determined for 2008/09 in 2007/08.	Target increase to be determined for 2009/10 in 2007/08.

* HQP includes students, post-doctoral fellows and research associates in scientific fields

Objective 1.2: Enhance technology transfer from research institutions

The province's research institutions are important generators of innovations that drive British Columbia's new economy. British Columbia's major universities have excelled at transferring their technologies to industry through various mechanisms such as creating spin-off companies and licensing. The Council will continue to support these efforts and will work in partnership with the university-industry liaison offices (UILOs), regional science councils and other appropriate organizations to provide value-added activities to further enhance and enable technology transfer for post-secondary institutions.

Strategies to enhance technology transfer include:

- continued funding to UILOs and regional science councils through the S&T Fund;
- partnering with UILOs and research institutions to facilitate cross-institutional development of technology solutions to identified industry needs;
- supporting development of technologies to a more mature stage (adding value to processes and products) at the research institution before they are transferred to industry;
- exploring innovative partnerships with industry, government and international communities to assist in technology transfer; and
- developing research databases in various sectors to inform and facilitate collaborations between industry, government and academia.

Measure	Forecast: 2006/2007	Forecast: 2007/2008	Forecast: 2008/2009
New measurement determined in 2006/07 that quantifies the amount of and/or qualifies the type of technologies supported by Council that result in either a spin-off company or transfer into an existing company.	Establish baseline for 2007/08 based on planned initiatives.	Target increase to be determined for 2008/09 in 2007/08.	Target increase to be determined for 2009/10 in 2007/08.

Objective 1.3: Assist early stage companies to attract funding

The province derives the greatest benefit from new technologies, when they are commercialised through local companies. Such companies are usually formed around an innovative technology and grow over a number of years. A prominent challenge in this process is the ability for a start-up company to raise capital during its early stage of development. Often, the founder lacks the business experience, resources, and maturity of technology to attract conventional venture capital. This is a major bottleneck for the commercialization effort.

Using a competitive process, the Council's predecessor organizations have in the past supported many companies that have subsequently grown to become successful organizations. Going forward, the Council will gradually expand its efforts and provide British Columbia technology companies with a variety of initiatives to overcome this early stage investment hurdle. Collectively, these initiatives will help the companies become more "investor ready" and facilitate a greater access to seed capital.

Strategies to assist early stage technology companies to attract capital include:

- investigating options for the Council to address the early stage investment gap through means such as leveraged funding opportunities, investment funds, joint ventures, or other mechanisms of support;
- creating and leveraging opportunities for management to obtain assistance in preparing for funding, through such programs as formal educational opportunities, expert advice and mentorship support;
- facilitate opportunities for companies to connect with and attract technical expertise and skilled management interprovincially, nationally and internationally;
- creating opportunities that connect companies with investors, partners, sales channels, other technology developers etc. across the province, Canada and internationally; and
- facilitate investments from private capital, through such potential initiatives as providing technical due diligence to private investors and hosting trade missions.

Measure	Forecast: 2006/2007	Forecast: 2007/2008	Forecast: 2008/2009
New measure to be determined in 2006/07 that quantifies the value of investments, partnerships, joint ventures and/or significant revenue generation for companies participating in Council's initiatives.	Establish baseline for 2007/08 based on planned initiatives.	Target increase to be determined for 2008/09 in 2007/08.	Target increase to be determined for 2009/10 in 2007/08.

Goal 2: Enhance Competitiveness of British Columbia's Business Sectors and Research Capabilities

Commercialization of innovative technologies (Goal 1) forms the base of growing new technology-based industries in British Columbia. Of equal importance, innovation has a major role in addressing competitiveness in other industries. British Columbia is increasingly operating in a global context, and it is therefore important to develop initiatives that will create and maintain a competitive edge in established and large industry sectors such as forestry, fisheries, agriculture, mining, and energy production.

These sectors compete in commoditized markets and therefore, in large part, depend on productivity gains to stay competitive. Such gains in competitiveness require new technology, information or expertise to be identified, developed, and adopted.

BC Innovation Council has longstanding connections and experience with the innovation process and research institutions. The Council intends to leverage these links by assisting resource and manufacturing-based companies and sectors throughout British Columbia in identifying (and developing, as needed) new technology and research that will enable them to increase productivity and thus their ability to compete. These new resources will leverage federal programmes, and bring established industries closer to the forefront of innovation.

Objective 2.1: Facilitate BC industry sectors to access, develop and adopt innovative technologies that will enhance competitiveness

Research and innovation needs are unique to each business sector. Some sectors such as aquaculture require further science-based evidence of the interactions between farms and the environment, while other sectors are in need of cost-cutting innovations to increase productivity. The Council will expand work with each of the major sectors to identify their needs for novel technologies and ways in which its links to research institutions and government can be utilized to address such needs.

Strategies include:

- identifying the major technology or research needs of the different business sectors, then;
- when appropriate, facilitating cross-industry collaboration to address technology or research needs; and
- facilitate development of the research initiatives through various support mechanisms that may include leveraged funding.

Measure	Forecast: 2006/2007	Forecast: 2007/2008	Forecast: 2008/2009
New measure to be determined in 2006/07 that quantifies the increase in productivity of companies participating in initiatives supported by Council, to address competitive issues.	Establish baseline for 2007/08 based on planned initiatives.	Target increase to be determined for 2008/09 in 2007/08.	Target increase to be determined for 2009/10 in 2007/08.

Objective 2.2: Identify and support research and innovation opportunities in British Columbia

Succeeding in a competitive market requires the ability to respond effectively to sudden challenges and opportunities. As a province, we face a number of issues that present both threats and commercial prospects, but which require a coordinated response that transcends individual companies and involve developing innovative solutions. Issues such as SARS, avian flu and pine beetle infestation are recent examples of areas where sudden action is of critical importance, and where solutions involve a strong component of science and technology.

BC Innovation Council occupies a unique position and enjoys a history of working with government, industry and academia for the province's common benefit. The Council intends to leverage these links by proactively developing solutions to emerging challenges and opportunities that affect our economy and where British Columbia has, or can develop, a competitive advantage.

Strategies to apply British Columbia's research and innovation capacity to emerging opportunities include:

- developing a mechanism or framework to identify opportunities to apply the province's research and innovation expertise;
- developing actionable plans, leveraging on existing capacity and funding from different sources to address the research and innovation opportunities; and
- planning and implementing follow-on strategies for capturing value for BC and BC companies.

Measure	Forecast: 2006/2007	Forecast: 2007/2008	Forecast: 2008/2009
New measure to be determined in 2006/07 that quantifies the number of and/or qualifies the area of opportunities identified and underway with Council support	Establish baseline for 2007/08 based on planned initiatives.	Target increase to be determined for 2008/09 in 2007/08.	Target increase to be determined for 2009/10 in 2007/08.

GOAL 3: Increase Awareness of British Columbia's Research and Innovation Opportunities and Achievements

The achievements of British Columbia's research and innovation sector are significant and expected to create considerable value in the future, benefiting the province economically and in terms of how British Columbia is perceived as a technology centre. For these opportunities to be realised, the main stakeholders – the public, provincial and federal governments and industry – must be kept informed and updated about the possibilities as well as requirements of the industry.

BC Innovation Council has a longstanding mandate to address these needs, and has established a number of initiatives that highlight the opportunities and achievements in the sector. Over the next several years, the Council will expand these efforts in collaboration with other agencies, in order to add strength to communications with the stakeholders.

Importantly, the Council anticipates working more closely with industry, academia and government in order to convey information that brings a balanced view to various issues affecting the technology sectors.

Objective 3.1: Communicate British Columbia's opportunities and achievements in research and innovation

Effective communications require unified effort and planning. As a centralized Crown agency, the Council is planning to develop a comprehensive communications plan for the sector in conjunction with appropriate organizations. This plan will incorporate the different stakeholders (public, industry, government) and leverage the resources provided by other organisations, such as Leading Edge BC as well as specific industry support groups. These combined efforts will enable the Council to support communications throughout British Columbia, nationally and internationally.

An important component of research and innovation awareness is recognition of British Columbia's leading researchers, scientists, science communicators and technology entrepreneurs. The Council's annual awards dinner is the pre-eminent recognition event for the sector, having recognized the world's top innovators who reside in British Columbia for the past 25 years (previously hosted by the Council's predecessor organization). In 2005, the Council received its highest number of nominations and increased media attention. This growth in interest indicates there are opportunities for generating additional exposure by expanding on communications initiatives undertaken by the Council.

Strategies to communicate British Columbia's opportunities and achievements in research and innovation include:

- developing a provincial communications plan for research and innovation in conjunction with the Province and other organizations including Leading Edge BC;
- providing recommendations and information to the Province of BC, the Government of Canada and other governments;
- partnering with other organizations to create opportunities to communicate through various media;
- expanding media relations efforts to ensure the leadership and vision of the Council and the Province are an ongoing part of industry coverage;
- publishing a Council newsletter;
- hosting international delegations interested in understanding the research and innovation sector in the province;
- expanding the Council's annual awards program as appropriate; and
- monitoring and leveraging the continued achievements of previous award winners to bring greater recognition to the province.

Measure	Forecast: 2006/2007	Forecast: 2007/2008	Forecast: 2008/2009
New measure to be determined in 2006/07 that quantifies and/or qualifies the outcome of the Council's activities in communicating British Columbia's research and innovation opportunities and achievements.	Establish baseline for 2007/08 based on planned initiatives.	Target increase to be determined for 2008/09 in 2007/08.	Target increase to be determined for 2009/10 in 2007/08.

Objective 3.2: Increase exposure of elementary and secondary school students to science and technology

The province's technology sector relies on the continued supply of highly skilled students looking to pursue careers in science, research and development. These career choices are still considered non-traditional by many, and it is therefore of importance to convey and support elementary and secondary school students taking a greater interest in the research and innovation sector. The Council, through its predecessor organization, has been promoting science and technology to students for several years through programs such as its support for Science Fairs and science student recognition events, and will continue this work in partnership with other organizations, while also developing new initiatives.

Strategies to create student and general public awareness of the research and innovation sector include:

- continuing to support science fair foundations and recognition of the province's science fair winners;
- partnering with other organisations to create educational opportunities for students to interact with researchers and technology entrepreneurs; and
- continuing to award the top graduating science student at each British Columbia secondary school with a science prize.

Measure	Forecast: 2006/2007	Forecast: 2007/2008	Forecast: 2008/2009
New measure in 2006/07 that quantifies and/or qualifies the increase in exposure of elementary and secondary school students to science and technology.	Establish baseline for 2007/08 based on planned initiatives.	Target increase to be determined for 2008/09 in 2007/08.	Target increase to be determined for 2009/10 in 2007/08.

Alignment with Government's Strategic Plan

The Province of British Columbia has established its five great goals for a golden decade. The Council addresses these goals as shown below.

Government's Goals within Strategic Plan	BC Innovation Council's Activities
To make B.C. the best educated, most literate jurisdiction on the continent.	The Council develops science and technology expertise in British Columbia by supporting, encouraging and communicating with elementary to graduate students pursuing science, research or technology entrepreneurship.
To lead the way in North America in healthy living and physical fitness.	Science and research play a major role in healthy living. The Council supports research and innovation in these fields to contribute toward breakthroughs in health research and support of the development of health-related technologies.
To build the best system of support in Canada for persons with disabilities, special needs, children at risk and seniors.	The Council's awareness and recognition initiatives have highlighted the leaders in research and innovation who play a major role in addressing social needs in society through technology development.
To lead the world in sustainable environmental management, with the best air and water quality, and the best fisheries management, bar none.	The Council recognizes the need for further research to bring credible scientific information to deal with environmental management issues. Its activities in the aquaculture, bioproducts and oceans/marine sectors are a beginning and the Council intends to support and encourage further initiatives toward this goal.
To create more jobs per capita than anywhere else in Canada.	Jobs in the research and innovation sector bring value to the province's economy and way of life. Development of the sector creates more demand for higher paying, more technically oriented jobs for British Columbians. By developing the sector further, the Council will ensure that more jobs are available for British Columbians.

Alignment with Government's Strategic Plan

The chart below summarizes how the Council's goals and objectives meet the Province's five great goals.

Government's Five Great Goals	BC Innovation Council Goals	BC Innovation Council Objectives
To make B.C. the best educated, most literate jurisdiction on the continent.	Increase the Development and Commercialization of British Columbia-based Technologies	Support development of highly qualified personnel and business expertise
	Increase Awareness of British Columbia's Research and Innovation Opportunities and Achievements	Increase exposure of elementary and secondary school students to science and technology
To lead the way in North America in healthy living and physical fitness.	Increase the Development and Commercialization of British Columbia-based Technologies	Enhance technology transfer from research institutions
	Enhance Competitiveness of British Columbia's Business Sectors and Research Capabilities	Identify and support research and innovation opportunities in British Columbia
To build the best system of support in Canada for persons with disabilities, special needs, children at risk and seniors.	Enhance Competitiveness of British Columbia's Business Sectors and Research Capabilities	Identify and support research and innovation opportunities in British Columbia
To lead the world in sustainable environmental management, with the best air and water quality, and the best fisheries management, bar none.	Enhance Competitiveness of British Columbia's Business Sectors and Research Capabilities	Facilitate BC industry sectors to access, develop and adopt innovative technologies that will enhance competitiveness
		Identify and support research and innovation opportunities in British Columbia
To create more jobs per capita than anywhere else in Canada.	Increase the Development and Commercialization of British Columbia-based Technologies	Enhance technology transfer from research institutions
		Assist early stage companies to attract funding
	Enhance Competitiveness of British Columbia's Business Sectors and Research Capabilities	Facilitate BC industry sectors to access, develop and adopt innovative technologies that will enhance competitiveness
		Identify and support research and innovation opportunities in British Columbia
	Increase Awareness of British Columbia's Research and Innovation Opportunities and Achievements	Communicate British Columbia's opportunities and achievements in research and innovation

Summary Financial Outlook

The Council's core operations and activities are funded by the Province through the Ministry of Advanced Education. It leverages those funds to secure additional financing for projects, programs and initiatives from other sources. Other sources may include various organizations within the federal and provincial governments as well as private and public organizations that require the Council's expertise through contract services.

Key Forecast Assumption

The forecast is presented with consistent revenues over the next three years. It is anticipated that a significant expansion of funds is necessary to align expenditures with the level of activity corresponding to the goals outlined in this Service Plan. The staffing level indicated has been kept in line with the funding level presented. However, as with the funding level, it is certain that the number of Council employees will need to significantly increase to correspond with the necessary level of activity.

The Council has determined that it would be fiscally prudent to forecast committing its retained earnings in the current year as an integral part of its near-term expansion plans. Therefore, the forecast estimates a well-managed deficit for the current year that will have no negative effect on the solvency of the Council.

Forecast Risks and Sensitivities

The Council is almost fully dependent on the Ministry as its main revenue source. As a result, the operations of the Council are very sensitive to fluctuations in the funding provided by the Ministry. In addition, revenues from other program funders are dependent on the funders' activities and plans and therefore are also sensitive to fluctuations.

The budget presented below summarizes the Council's anticipated funding and allocation of operating funds for the next three years.

	Actual: 2004/2005	Estimate: 2005/2006	Budget: 2006/2007	Forecast: 2007/2008	Forecast: 2008/2009
Revenue					
Ministry of AVED					
Base	$3,268,000	$3,268,000	$3,268,000	$3,268,000	$3,268,000
S&T Fund		1,964,000	1,964,000	1,964,000	1,964,000
Other Program Funding	2,036,000	2,500,000	1,225,000	1,225,000	1,225,000
Interest	19,900	25,000	16,000	16,000	16,000
Total Revenue*	$5,323,900	$7,757,000	$6,473,000	$6,473,000	$6,473,000
Expenses					
Programs & Initiatives	$2,888,500	$9,110,000	$4,680,000	$4,680,000	$4,680,000
Transition	200,000				
Operating /					
Gen. & Admin.					
Rent	219,200	152,000	152,000	152,000	152,000
Salaries & Benefits	970,000	1,000,000	1,341,000	1,341,000	1,341,000
Other	363,200	300,000	300,000	300,000	300,000
Total Expenses	$4,640,900	$10,562,000	$6,473,000	$6,473,000	$6,473,000
Excess (Deficit)	683,000	(2,805,000)	-	-	-
Retained Earnings	$2,805,000	-	-	-	-
FTE's *	14	14	16	16	16
Capital expenditures	$57,000	-	-	-	-

* Consistent revenue and FTE figures are presented over the three year period. It is anticipated that a significant increase in funding and staffing levels is necessary in order for the Council to align its future level of activity with the goals outlined in this Service Plan

Governance

The Lieutenant Governor in Council through Order-in-Council appoints the members of the Council board and designates the chair from among the board members. There are currently two board members and additional members are expected to receive Order-in-Council in early 2006.

The chair is the head of the board, and through the Minister of Advanced Education and his capacity as Minister Responsible for Research and Technology, reports to the British Columbia legislature. The executive management team consists of the Chief Executive Officer and Chief Operating Officer, who jointly share the role encompassing both personnel and operational issues.

The board serves in the following capacities:

- setting the strategic direction;
- recruiting, empowering and monitoring the executive management;
- shepherding/safeguarding the Council's resources including approving major financial decisions; and
- measuring corporate performance and accounting regularly to the stakeholder including complying with applicable laws.

As at December 31, 2005 board members include:

- Hector MacKay-Dunn, Q.C., Chair
- Dr. Tim Walzak

Board Committees

The Audit Committee reviews and recommends the acceptance of annual financial statements and the Auditor's Report. The Audit Committee helps to ensure that internal controls are properly designed and performed and that the external audit function has been effectively carried out. The Committee also appoints the Council's auditors.

It is anticipated that once a full board is in place, additional committees will be formed.

Governance Principles

The Council's board has adopted the guiding principles outlined in the Province of British Columbia's Governance Framework for Crown Corporations in establishing a framework from which to operate. These principles include:

- stewardship, leadership and effective functioning of the board;
- clarity of roles and responsibilities;
- openness, trust and transparency;
- service and corporate citizenship;
- accountability and performance; and
- value, innovation and continuous improvement.

Senior Management Team

The Council's senior management team consists of:

- Chief Executive Officer
- Chief Operating Officer
- Director of Finance & Administration
- Director of Programs
- Director of Business Development

Contact Information

BC
INNOVATION
COUNCIL

9th Floor – 1188 West Georgia Street

Vancouver, British Columbia V6E 4A2

tel: 604.438.2752

fax: 604.438.6564

email: info@bcinnovationcouncil.com

website: www.bcinnovationcouncil.com